

Name _____

Navigating Risk in Banking: The Art of Risk Management

Open-Ended Response Questions

1. Imagine you are a risk manager at a bank. Describe a situation where you would need to assess and mitigate operational risk. What steps would you take to address this risk?
2. Discuss the potential consequences of a bank failing to manage credit risk effectively. How can credit risk management protect a bank from significant losses?
3. Explain why reputation risk is considered one of the critical risks in banking. Provide an example of an event that could harm a bank's reputation and how it might be mitigated.
4. In your own words, summarize the risk management process in banking, emphasizing its importance in maintaining financial stability and protecting stakeholders.

